

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF ADJUSTMENT OF)
THE RATES OF KENTUCKY -)
AMERICAN WATER COMPANY)
EFFECTIVE ON AND AFTER)
SEPTEMBER 17, 1982)

Case No. 8571

O R D E R

IT IS ORDERED that Kentucky-American Water Company shall file with the Commission by October 5, 1982, the following information. Each copy of the data request shall be placed in a bound volume with each item tabbed. Where a number of sheets are required for each item, each sheet should be appropriately indexed, for example, Item I(a) Sheet 2 of 6. Careful attention should be given to copied materials to insure that they are legible.

Staff Information Request 2:

1. Provide one copy of the American Water Works Association's manual (Volumes 1 and 2) which describes the base extra demand method of cost allocation.
2. In Exhibit No. 4, Schedule 2 under present rates, the pro forma adjustment for metered sales to industrial customers is reported as (\$85,272) to reflect the loss of revenue from decreased consumption. Provide all workpapers and a narrative description to support this adjustment.

3. On page 28 of Exhibit 7 it states that "information from many sources" were considered for purposes of estimating the relationships between maximum day, maximum hour, and average day demands.
 - a. Identify all the sources of the information used in the estimation.
 - b. Provide a narrative description of the methodology used to derive the relationships as reflected in Schedule 6 of Exhibit 7.
 - c. Provide all workpapers and supporting evidence used to derive Schedule 6 of Exhibit 7.
4. Provide all workpapers and other supporting evidence used to develop the allocation factors identified in Schedule 5 of Exhibit 7. For any of the allocation factors that are determined internally by the computer cost-of-service software, provide a narrative description and the computational formula used to calculate the allocation factors.
5. Refer to page 13 of J. Ober's testimony. It states "I have grouped customer that, in my opinion, have similar water use characteristics and demands." Provide all evidence that supports this opinion. Provide specific references where appropriate.

Done at Frankfort, Kentucky, this 20th day of September,
1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary